

This document is a General Terms & Conditions for Purchase Order (hereinafter referred to as “**PO**”) issued by the COMPANY to a person or persons, partnership firm or company and includes CONTRACTOR’s personnel, representative(s), successor(s) and permitted assignee(s) (hereinafter referred to as the “**CONTRACTOR**” for a supply or provision of the GOODS or SERVICES by the CONTRACTOR as specified in the PO (“**GOODS**” or “**SERVICES**”) and the CONTRACTOR agrees to comply with the terms & conditions hereunder. For this purpose:

- i. “**VEB**” means Velesto Energy Bhd;
- ii. “**VEB GROUP**” means (i) VEB and its Affiliated Companies and successors and assignees;
- iii. “**AFFILIATED COMPANY(IES)**” with respect to any person means any other person which controls, is controlled by, or is in common control with, such first person, for which purpose “control” shall mean: (i) a company is directly controlled by another company or companies if that later company owns or those later companies together own fifty percent (50%) or more of the voting rights attached to the issued share capital of the first mentioned company carrying the right to vote at a general meeting of the said company;
- iv. “**COMPANY**” is an Affiliated Company of VEB that issues the PO to the CONTRACTOR.
- v. “**GOODS**” means all items to be supplied by the CONTRACTOR for COMPANY’s purchase as described in the PO.
- vi. “**PARTY**” means the CONTRACTOR or the COMPANY and both collectively referred to as the “**PARTIES**”.
- vii. “**SERVICES**” means all the activities or services to be performed and rendered by CONTRACTOR described in the PO.

Unless otherwise specified, all prices, sums rates and third party margins are firm and definitive. PO number shall be indicated on all correspondence and invoices.

1. SUPPLY OF GOODS

The CONTRACTOR must supply the GOODS to the COMPANY in accordance with the specification and otherwise in accordance with these terms and conditions. The CONTRACTOR must deliver the GOODS to the delivery point by the time of the delivery. Delivery will not be taken to have occurred until delivery is acknowledged in writing by the COMPANY.

2. PROVISION OF SERVICES

The CONTRACTOR must provide the SERVICES to the COMPANY in accordance with the specification of this PO and must:

- (a) complete the SERVICES by the completion date and/or any other dates for delivery as specified in the PO;
- (b) provide the SERVICES in a proper, timely and efficient manner using that standard of care, skill, diligence, prudence and foresight that would reasonably be expected from a prudent expert and experienced provider of SERVICES that are similar to the SERVICES;
- (c) ensure the highest quality of work and the delivery of SERVICES with utmost efficiency;
- (d) act in good faith and in the best interests of the COMPANY; and
- (e) provide any and all equipment necessary for the performance of SERVICES.

3. LIABILITY

The CONTRACTOR shall be liable for any loss or damage incurred by the COMPANY due to the CONTRACTOR’s and/or its suppliers’ non-compliance with the terms and conditions of the PO. The CONTRACTOR must indemnify the COMPANY and each of its employees and agents against any loss, damage, claim, action or expense (including legal expense) which any of them suffers as a direct result of any failure to provide the GOODS or SERVICES in accordance with these terms and conditions or any other breach of the PO. Neither the CONTRACTOR nor the COMPANY shall be liable one to the other (including their affiliates, employees, officers, directors and other contractors) in respect of indirect, special or consequential damages or losses including but not limited to loss of production, loss of business opportunity and loss of profit, whether actual or anticipated and each party shall defend, indemnify and hold the other harmless therefrom.

The CONTRACTOR may not make a claim or bring proceedings relating to, arising out of or otherwise under this document against any VEB GROUP including its members, shareholders, directors, officers or employees of VEB GROUP except that any proceeding or claim under this document shall only be to COMPANY.

4. LIENS AND CLAIMS

The CONTRACTOR shall defend, indemnify and hold the COMPANY harmless from and against all liens and claims that attach to the GOODS or SERVICES and all costs, damages and expenses incidental thereto. The COMPANY shall have

the right to settle any such liens and claims and to deduct from the PO price all costs of settlement.

5. INVOICING

Invoice together with supporting documents shall be made out in one original (clearly stamped as original) together with one copy of the same and shall be sent to the COMPANY's office. Refer to Delivery Instructions.

Where Consumption Taxes are charged, the COMPANY shall reject invoices and credit notes where the content, format and presentation does not meet the requirements of the applicable tax laws and regulations.

For the purposes of this general terms and conditions, Consumption Taxes include sales and services tax, value-added tax, service tax, sales tax, use tax or any other similar nature of taxes charged on taxable supply of GOODS and SERVICES at the place of supply but excluding any taxes on exportation/importation.

6. LIQUIDATED DAMAGES FOR LATE DELIVERY

For any delays in receipt of SERVICES or GOODS beyond seven (7) calendar days, the COMPANY will be entitled to recover from the CONTRACTOR a Liquidated Damages for an amount of One percent (1%) of the total value of the PO, for each day of delay. The maximum Liquidated Damages shall not exceed Ten percent (10%) of the PO value. In the event the delay exceeds the numbers of days allowable herein, the COMPANY shall have the right to:

- (a) treat the delay as a default by the CONTRACTOR under Clause 7.1 (a) and engage another party to carry out the performance of the SERVICES or supply of the GOODS, and all additional expenditure properly incurred by the COMPANY in having such remedial action carried out shall be recoverable by the COMPANY from the CONTRACTOR;
- (b) to terminate this PO under Clause 7.1.

COMPANY shall have the right to set-off the Liquidated Damages sum against any payment due to the CONTRACTOR.

7. CANCELLATION AND/OR TERMINATION

7.1 Without prejudice to any of its rights or remedies the COMPANY may cancel and terminate this PO or any part thereof:

- (a) if the CONTRACTOR at any time fails or is unable to comply with any warranty, terms or conditions

expressed or implied in this PO relating to GOODS and/or SERVICES such as but not limited to failure to deliver on the required delivery date or completion of SERVICES on the scheduled completion date; or

- (b) if the CONTRACTOR fails, refuses and/or neglects to adhere to the HSE requirements stipulated in Clause 26 hereof;
- (c) if the GOODS or part of the GOODS delivered do not conform in full to this PO, including any relevant specification, drawings, samples or descriptions and any alteration thereto authorized in writing by the COMPANY or are not fit for the purpose for which they are intended or are defective or are insufficient in quantity; or
- (d) if in the case of the CONTRACTOR being a company and an order is made or a resolution is passed for the winding up or dissolution of the CONTRACTOR or for the reconstruction and amalgamation of the other PARTY or otherwise under Section 366 of the Companies Act 2016 or any other similar action or proceeding under any other law or if a receiver or manager or official manager, liquidator, or like official is appointed in respect of the whole or a substantial part of the undertaking and property of the CONTRACTOR or assignment for the benefit of his creditors.

In the event of cancellation or termination of all or any of the PO issued in accordance with this Clause, the COMPANY shall have no obligations save to pay for any GOODS and/or SERVICES which have been accepted by COMPANY under this PO. COMPANY shall have the right to offset such payment due against any additional costs which incurred by the COMPANY as a result of such cancellation or termination.

7.2 Termination Without Cause

The COMPANY may at any time cancel and/or terminate this PO, in whole or in part, by advance written notice of at least two (2) weeks to the CONTRACTOR. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue its performance and shall cancel and/or terminate all orders and subcontracts to the extent they relate to such performance. The COMPANY shall pay the CONTRACTOR the PO price of finished GOODS and/or SERVICES accepted and/or received by the COMPANY. Nevertheless, COMPANY reserves the right to verify such claims by inspecting the records, facilities, work or materials of the CONTRACTOR relating to this PO. The COMPANY shall make no payments for finished work, work in progress, or raw materials fabricated or procured by the CONTRACTOR unnecessarily in advance or in excess of the COMPANY's delivery requirements under this PO. Notwithstanding the above, payments made under this paragraph shall not exceed the aggregate price specified in this

PO, less any payments made or to be made. Payment provided under this paragraph shall constitute the COMPANY's only liability in the event this PO is terminated.

8. GOVERNING LAW

The PO shall be governed by the laws of the Malaysia.

9. SETTLEMENT OF DISPUTES

The PARTIES agree that all disputes or differences whatsoever on any issue of construction or effect, any rights, duties and liabilities of the PARTIES under this PO, or any matter arising out of or in connection with this PO, shall be:

- (a) notified by one PARTY to the other in writing immediately and such written notice shall be deemed as the dispute notice;
- (b) upon issuance of the said dispute notice, the PARTIES shall negotiate in good faith to resolve the matter and such negotiation shall be concluded within thirty (30) days from the date of the dispute notice; or
- (c) if such good faith negotiation shall have failed to conclude any form of amicable settlement between the PARTIES, or that no conclusive solution could be achieved at the expiration of the said thirty (30) days, such dispute or difference shall be subjected to the exclusive jurisdiction of the courts of Malaysia.

10. ACCEPTANCE OF THE PO

This PO constitutes the COMPANY's offer to the CONTRACTOR and is a binding contract on the terms and conditions set forth herein when it is accepted by the CONTRACTOR either by signature on the acknowledgment copy or the commencement of performance hereunder. This order expressly limits acceptance to the terms of this order and additional or different terms proposed by the CONTRACTOR are rejected unless assented to in writing by the COMPANY. No deviation or exception submitted or referred to by the CONTRACTOR in its quotation or any other document shall form part of the PO unless otherwise agreed to in writing by the COMPANY. Acknowledgement of receipt of the PO must be returned to the COMPANY duly signed by an authorized executive of the CONTRACTOR and must bear appropriate stamp, as a legal binding document of the acceptance of the terms and conditions stated in the PO. Failure to return acknowledgement of receipt of the PO within fifteen (15) consecutive days after the date of the PO shall imply unconditional acceptance of the terms and conditions of the PO by the CONTRACTOR.

11. PAYMENT AND TAXES

Unless otherwise stipulated, all invoices will be paid within thirty (30) calendar days from the date of receipt of complete and undisputed invoice by the COMPANY in accordance with Clause 5 hereof. The COMPANY shall not pay invoices that have been rejected for any valid reasons set out in this general terms and conditions. The COMPANY shall not be required to make partial payment against any incomplete invoice or invoice in dispute.

If the CONTRACTOR requires payment against any undisputed portion of such invoice then it shall issue a credit note to reduce the disputed amount. Upon settlement of any dispute, the CONTRACTOR shall submit an invoice for the remaining sum due and the COMPANY shall make the appropriate payment in accordance with the provisions herein. If any dispute connected with the PO exist between the PARTIES, COMPANY may withhold from any money which becomes payable under the PO. Except for Consumption Taxes, CONTRACTOR shall pay all taxes (including withholding tax), duties, assessments, royalties or other charges, if any, levied by any government authority of any country imposed on CONTRACTOR or its employees and subcontractors in connection with the PO. In the case of supply of goods, the party that will bear any import/export taxes will be based on the agreed INCOTERMS on the PO.

All taxes, levies and duties levied on the CONTRACTOR shall be for the account of the CONTRACTOR and shall not be reimbursed by COMPANY.

COMPANY shall have the right to withhold taxes from payment due to the CONTRACTOR under this PO to the extent that such withholding may be required by the relevant government or regulatory authorities, and payment by COMPANY to the respective government or regulatory authority of the amount of money so withheld will relieve COMPANY from any further obligation to the CONTRACTOR with respect to the amount so withheld.

CONTRACTOR shall give prompt notice to COMPANY of all matters pertaining to non-payment, claims of immunity, or exemption from any taxes or duties.

Both COMPANY and CONTRACTOR mutually agree that the tax code and tax amount stated on the PO are merely COMPANY's estimation at the time the PO is issued. Notwithstanding that, it is CONTRACTOR's responsibility under the applicable tax laws and regulations to charge the correct amount of tax to COMPANY. COMPANY reserves the right to reject invoices where the Consumption Taxes are not correctly charged on the invoices. The CONTRACTOR is

expected to provide documentations on the applicable tax laws and regulations, certificates, licences, etc. to support the validity and correctness of the Consumption Taxes charged on the invoice.

12. CHANGE

12.1 Change Request

(a) COMPANY's Requested Change

- (i) COMPANY reserves the right to request the CONTRACTOR to make modifications or changes as to any aspect of the scope of PO within the intent of the PO.
- (ii) Any request for modifications or changes shall be in writing and submitted by COMPANY to the CONTRACTOR. Such Changes shall in no way affect the rights or obligations of the Parties hereto except as provided in a written Change Order.

(b) CONTRACTOR's Suggested Change

- (i) If CONTRACTOR believes that any act or omission by the COMPANY affects or will affect the cost or time required for the performance of the Services, the CONTRACTOR shall promptly notify the COMPANY in writing in accordance with Clause 12.2 herein to that effect before proceeding with the part of the Services in question. COMPANY will not necessarily be bound by the notification, and in no event will the COMPANY be obligated to adjust the Purchase Order Price if the CONTRACTOR proceeds with the part of the Services in question before giving notice to the COMPANY.

12.2 Within seven (7) days from the date of the CONTRACTOR's receipt of the notice issued by the COMPANY pursuant to Clause 12.1 above, the CONTRACTOR shall provide a change proposal ("Change Proposal") detailing the effect and consequences of the changes, such as decrease or increase in the Purchase Order price, changes to the timeline, payment schedule and any other related effects. Should COMPANY wish to proceed with the proposed Changes and approves the Change Proposal, COMPANY shall issue to the CONTRACTOR a revised PO.

13. FORCE MAJEURE

Neither the CONTRACTOR nor the COMPANY shall be liable to the other PARTY for any breach of the terms and conditions of the PO where such breach occurs as a result of a Force Majeure, which shall include, but not be limited to, Acts of God, wars (declared or undeclared), rebellion, insurrection, acts of terrorists, acts of government, strikes, boycotts, lockouts or other labour disturbances, unusually severe weather during the period in question, or any other similar matters beyond the control of or which could not have been reasonably foreseen and/or avoided by the PARTY affected by same. The COMPANY may at its sole discretion terminate/cancel the PO immediately by giving to the CONTRACTOR a notice in writing in the event the Force Majeure event persist for more than 30 days.

14. INSURANCE

The CONTRACTOR shall at its own cost and expense, carry and maintain insurance which may be relevant and/or necessary and/or may be required by any law(s) to which the CONTRACTOR is subjected to in performance of this PO including without limitation to the following:

- (a) Workmen's Compensation and/or Employer's Liability Insurance and/or similar statutory social insurance as required by law at the site where the SERVICES will be performed and which may be applicable covering all the CONTRACTOR's employees engaged in accomplishing the SERVICES;
- (b) Comprehensive General Liability or Third Party Liability or Public Liability Insurance covering all operations hereunder against bodily injury, death, loss of property or property damage to third parties. Such insurance shall include contractual liability coverage. Nothing contained herein shall serve in any way to limit or waive the CONTRACTOR's liability under this PO.

If requested by the COMPANY, satisfactory evidence of such insurance shall be submitted by the CONTRACTOR within a reasonable period of time.

15. APPLICABILITY

The PO shall be solely governed by these general terms and conditions of purchase/service and, if applicable in the PO, the further conditions of purchase/service and any other terms and conditions as specified in the PO hereinafter referred to as "specific terms and conditions". In case there is any conflict between the applicable terms and conditions, the order of prevalence shall be as follows:

- (a) Specific terms and conditions;
- (b) General terms and conditions

16. ASSIGNMENTS

The CONTRACTOR shall not assign its rights and obligations under the PO in whole nor in part, nor any benefit nor interest in or under it without prior written consent of the COMPANY, which shall not be withheld unreasonably. Approvals granted pursuant to this clause shall not release nor relieve the CONTRACTOR of any of its obligations under the PO nor shall create any contractual relationship between the assignee and the COMPANY. The COMPANY shall be entitled to assign the PO or any part of it or any benefit or interest under it to any of the COMPANY within VEB GROUP or its Affiliates without prior agreement of the CONTRACTOR.

17. TIME

Time shall be of the essence of this PO.

18. NOTICES

Any notice required to be served under this PO shall be in writing and shall be deemed to have been sufficiently served or given if left by hand or sent by facsimile, telegram or prepaid registered post and addressed to the other PARTY at the address hereinafter given. In the case of a notice sent by telegram or registered post, it shall be deemed to have been served on the fifth (5th) day of dispatch for domestic mail and on the fifteenth (15th) day of dispatch for overseas mail. In the case of facsimile, it shall be deemed to have been received upon notification by the facsimile machine that the facsimile has been transmitted.

19. WAIVER

No failure or delay on the part of the COMPANY in exercising nor any omission to exercise any right, power, privilege or remedy accruing to the COMPANY upon any default on the part of the CONTRACTOR shall impair any such right, power, privilege or remedy or be construed as a waiver thereof or any acquiescence to such default; nor shall any action by the COMPANY in respect of any default or acquiescence in any such default, affect or impair any right, power, privilege or remedy of the COMPANY in respect of any other or subsequent default.

For Purchase Order:

20. MARKING

Refer to Delivery Instructions.

21. PACKAGING

Refer to Delivery Instructions.

22. INSPECTION AND TESTING

Refer to Delivery Instructions.

23. DELIVERY OF GOODS

The GOODS shall be properly packed and secured by the CONTRACTOR in such a manner as to reach their destination in good condition under normal conditions of transport. The GOODS shall be delivered by the CONTRACTOR at, or dispatched for delivery to, the place(s) specified in the PO and in the manner specified in Clause 20, 21, 22 and 23 hereof, or as may hereafter be subsequently agreed in writing. The GOODS shall be delivered with the required certification documents (where applicable). Delivery of the GOODS shall be interpreted in accordance with INCOTERMS 2010 as modified. Unless otherwise stipulated no partial delivery will be accepted.

24. GUARANTEE AND WARRANTY OF GOODS

Unless otherwise stipulated, the CONTRACTOR guarantees that the GOODS conform to the specifications of the PO and warrants the GOODS free from defects in material and workmanship for a period of **eighteen (18) months** from the supply of GOODS by the CONTRACTOR and its acceptance by the COMPANY. The COMPANY reserves the right to reject any GOODS, which are not in accordance with the specifications of the PO or withhold payment and/or seek for refund of monies paid and/or off-set against any payment due or to be due to the CONTRACTOR for GOODS which do not conform to the requirements stated in this clause. At the COMPANY's option, the CONTRACTOR shall promptly repair or replace, at the CONTRACTOR's own cost and expense, any GOODS found to be defective during the warranty period.

Any new GOODS replacing the defective GOODS during the warranty period shall be warranted under the same terms and conditions for another period of eighteen (18) months from the date of replacement.

The GOODS shall conform with all laws and regulations pertaining thereto, conform with the PO and the specification pertaining thereto or where no specification exists, be in accordance with the relevant British standard(s), conform with best professional practices, be fit for purpose if such purpose is indicated, otherwise be fit for their ordinary purpose.

25. CONTRACTOR'S WARRANTY ON THE SERVICES

Unless otherwise stipulated, the CONTRACTOR warrants that the SERVICES shall be executed diligently in accordance with best industry practices and be free from all errors, defects and failures for a period of **twelve (12) months** from their acceptance in accordance with the PO. Without prejudice to any other remedy, if any part of the SERVICES is not performed in accordance with these terms and conditions, the COMPANY shall be entitled where appropriate to:

- (a) require the CONTRACTOR to immediately re-perform or replace the relevant part of the SERVICES without additional charge to the COMPANY;
- (b) assess the remedial cost for the re-performance or replacement and to deduct any sums (including incidental) due to it for the duration that such remedial of SERVICES is performed;
- (c) engage another PARTY to carry out the re-performance, remedial and/or replacement of the defect in the SERVICES in whole or in part, and all additional expenditure properly incurred by the COMPANY in having such SERVICES carried out shall be recoverable by the COMPANY from the CONTRACTOR, including setting-off such sum from any payment due or to be due to the CONTRACTOR; and/or
- (d) withhold any payment due to the CONTRACTOR and/or seek for refund of monies paid for the SERVICES which does not conform to the requirements stated in this clause.

i. Personnel

All the CONTRACTOR's personnel shall be trained, skilled and experienced in their respective trades and professions. The COMPANY shall be entitled to require the prompt removal, replacement or retention of any person employed or retained by the CONTRACTOR at any time during the performance of the SERVICES. Shifts, hours of work, offshore exercises and work cycles shall be subject to COMPANY's Rules and Regulations.

The CONTRACTOR shall ensure that all personnel engaged in the performance of the SERVICES comply with any applicable laws including immigration laws and where required, all individuals are in possession of valid work permits, travel permits, employment passes, visas, licences, registrations and any other documents or permissions required for those individuals to lawfully perform the SERVICES in the country where the SERVICES is to be performed. The CONTRACTOR shall be responsible for ensuring that all necessary work permits and visas are obtained. When requested, details of

such work permits shall be submitted to the COMPANY prior to the employee being engaged in the SERVICES.

ii. Equipment

The CONTRACTOR shall carry out on its own initiative and at its own cost all inspection, maintenance and repair of its owned and hired equipment necessary to maintain the same safe, fully certified and operational at all time.

26. HEALTH, SAFETY AND ENVIRONMENT REQUIREMENTS

The CONTRACTOR or its sub-contractors and their respective employees, servants and agents shall strictly comply with all existing laws (whether international, national, local or otherwise) including local, municipal, territorial, provincial and federal laws, orders, rules, regulations, government or other authorities having jurisdiction, practices and otherwise meet generally accepted standards pertaining to health, safety, security and the environment which are applicable to:

- (a) the location where the scope of work is being carried out;
- (b) all SERVICES, materials and items used in the performance of the scope of work;
- (c) all maintenance of machinery, equipment, facilities and other items whether owned or in any way associated with or utilised in the scope of work which are in a safe, sound and proper conditions.

In addition, the CONTRACTOR shall take into account and shall comply with the COMPANY's safety manual, policies and special instructions which can be obtained from <https://velesto.com/qhse/>.

27. DATA PROTECTION

The Personal Data Protection Notice ("PDPN") provided by the COMPANY to the CONTRACTOR explain how VEB Group collect and handle personal data in the light of the Personal Data Protection Act 2010 ("Act"). The COMPANY will require any CONTRACTOR that processes personal data on our behalf to adhere to requirements of the PDPN and the Act.

The CONTRACTOR warrants to have the authority to provide personal data to VEB GROUP in connection with the provision of the GOODS and/or performance of the SERVICES and that the personal data provided to VEB Group has been processed in accordance with applicable law.

28. COMPLIANCE WITH LAWS

It is VEB GROUP's policy to comply fully with all applicable laws.

The CONTRACTOR covenants to fully comply and adhere with VEB's Code of Business Conduct and Ethics ("COBE"), including any update thereof made from time to time and all laws, regulations, directives and conditions made thereunder including laws in any jurisdiction in which the CONTRACTOR operates, the employment of foreign workers and the VEB's policy on occupational safety and health administration.

The CONTRACTOR shall compensate and indemnify COMPANY for any prosecutions, claims, loss or damages that COMPANY may suffer as a result of the CONTRACTOR failure to comply thereof. A copy of the said COBE can be obtained from: <https://velesto.com/procurement/>.

29. ANTI-CORRUPTION LAWS

The CONTRACTOR acknowledges that it shall strictly adhere to the Malaysian Anti-Corruption Commission Act 2009 (Act 694) and all applicable laws thereunder including but not limited to (i) the principles set forth in the Convention for Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, and without limitation, shall not perform any act which would constitute "bribery of a foreign official" as defined in Article 1(3) of such Convention, (ii) the United States Foreign Corrupt Practices Act (FCPA), (iii) the United Kingdom Bribery Act and so forth, and further agrees that it shall comply with such laws and does not act in any way that would cause either PARTY to be in violation of such laws.

If the CONTRACTOR gives or offers any person bribe, gift, gratuity or commission as an inducement or reward, in consideration of an action or inaction by such person in relation to this Agreement or in any other contract with COMPANY, or for showing or forbearing to show favor or disfavor to any person in relation to this Agreement or any other contract with COMPANY, then COMPANY shall be entitled to forthwith terminate this Agreement at any time by giving written notice to that effect to the CONTRACTOR.

Upon such termination under the above paragraph, COMPANY shall be entitled to claim and demand all losses, costs, damages and expenses including any incidental costs and expenses incurred by COMPANY, arising from such termination.

The CONTRACTOR shall be subject to termination clause contained herein and nothing stated herein shall render COMPANY in any way liable for payments for the termination.

The CONTRACTOR further agrees to the following:

- (a) to immediately notify COMPANY of any request that it receives to take any action that might constitute, or be construed as, a violation of anti-corruption laws;
- (b) COMPANY is authorised to take all appropriate actions that COMPANY reasonably deems are necessary to avoid a violation of anti-corruption laws;
- (c) the CONTRACTOR shall keep and maintain accurate books and records necessary to demonstrate compliance with the foregoing, and that COMPANY may, during the Term of this Agreement and for a period of seven (7) years following the final payment under, or termination of this Agreement, review or audit such books and records of the CONTRACTOR;
- (d) the CONTRACTOR to indemnify, defend and hold harmless COMPANY as to any claim asserted against the CONTRACTOR for any liability arising out of violations of anti-corruption laws as a result of any acts by the CONTRACTOR that occur during the term of this Agreement. Such liability shall include, but is not limited to, all damages, costs, fees and expenses.

30. CONFLICT OF INTEREST

Neither the CONTRACTOR nor any of its representatives shall have any direct or indirect interest in this PO and/or give to, or receive from, COMPANY or its representatives any direct or indirect interest and/or proceeds from this Agreement, or enter into any other business arrangement with COMPANY or its representatives without the prior consent of the COMPANY.

The CONTRACTOR shall ensure that it and its representatives take all necessary steps to avoid any conflict of interest between any of their individual interests and those of the COMPANY. If the CONTRACTOR or its representative become aware of the possibility of any conflict of interest, the CONTRACTOR shall:

- (a) promptly notify the COMPANY of any violation of this Clause; and
- (b) repay or credit to the COMPANY any consideration received as a result of such violation.

In addition to the rights the COMPANY has under this PO, if any violation of this Clause occurring prior to the date of this Agreement resulted directly or indirectly in the COMPANY's entering into this PO, the COMPANY may at its option terminate this PO at any time and (despite any other provision



of this PO) pay no compensation or reimbursement to the CONTRACTOR whatsoever after the date of termination.

31. NON-DISCLOSURE & PUBLICITY

31.1 Definition

Confidential Information means the terms of this PO and any information disclosed (whether prior to the issuance of the PO or after) by COMPANY to the CONTRACTOR either directly or indirectly, in writing, orally or by drawings or observation of tangible objects such as documents, prototypes, samples, products and facilities, including, but not limited to, trade secrets, know-how and other intellectual property or information relating to the COMPANY's business, operations, products, technology, together with any and all analyses or other documents prepared by either Party that contain or otherwise reflect any of the foregoing information.

CONTRACTOR agrees that it shall not divulge, disclose or communicate to any third party such Confidential Information without the prior written consent of the COMPANY; provided, however, that CONTRACTOR may disclose such Confidential Information to its authorized representatives who need to know such Confidential Information for CONTRACTOR to perform and such representatives agree to maintain such confidentiality according to the terms of this PO. CONTRACTOR will be liable for any breach of this Section by any of its representatives. CONTRACTOR shall use at least the same degree of care, but no less than a reasonable level of care, and shall take at least those measures that it takes to protect its own most highly confidential information to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information and shall ensure that its authorized representatives who have access to the Confidential Information are bound by a confidentiality agreement in content similar to the provisions hereof, prior to any disclosure of the Confidential Information to such authorized representatives.

31.2 Return or Destruction

CONTRACTOR shall return to the COMPANY, within ten (10) business days of receipt of a written request by the COMPANY, all materials containing or reflecting any Confidential Information that are in the possession or control of CONTRACTOR and its Representatives; provided, however, that CONTRACTOR may, at its option, destroy any and all Confidential Information, and certify in writing to the

COMPANY that all such Confidential Information has been destroyed in lieu of returning the same to the COMPANY.

31.3 Press Releases

CONTRACTOR shall not issue or authorize any press release, advertisement, or other public disclosure relating to this PO, without the prior written consent of COMPANY, except as may be required by applicable law, rule or regulation, in which case, the CONTRACTOR shall provide prior notice to the COMPANY.

32. REFERENCE

See Appendix 1: Delivery Instructions.

33. SPECIFIC TERMS AND CONDITIONS

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1.0 DELIVERY INSTRUCTIONS

1.1 Delivery Address:

A) ASIAN SUPPLY BASE (ASB)

VELESTO DRILLING SDN BHD
ASIAN SUPPLY BASE
RANCHA-RANCHA INDUSTRIAL ESTATE
87010 LABUAN F.T

TEL: 087-413 822 (Office), 016-801 7294, 012-311 6450

RECEIVING SCHEDULE:

MONDAY-THURSDAY: 9:00 AM TO 11:30 PM
1:00 PM TO 4:00 PM
FRIDAY: 9:00 AM TO 11:30 AM
2.30PM TO 4.00 PM

B) KEMAMAN SUPPLY BASE (KSB) *

VELESTO DRILLING SDN BHD
C/O VELESTO WORKOVER SDN BHD
WAREHOUSE NO. 44, DOOR 13-16,
PHASE 2B, KEMAMAN SUPPLY BASE,
24007 KEMAMAN, TERENGGANU

TEL: 013-208 3234 or 019-280 2067

RECEIVING SCHEDULE:

SUNDAY-THURSDAY: 9:00 AM TO 11:30 AM
1:00 PM TO 4:00 PM

* Delivery of materials to Kemaman Supply Base have to go through KSB Customs.

C) SINGAPORE SUPPLY BASE

VELESTO DRILLING SDN BHD
C/O BOLLORE LOGISTICS SINGAPORE PTE LTD
1 BUROH CRESCENT, #05-01
SINGAPORE 627545

TEL: +65 6452 7147

RECEIVING SCHEDULE:

MONDAY-FRIDAY: 9:00 AM TO 12:00 PM
1:30 PM TO 4:00 PM

1.2 Delivery according to base operating hours:

Delivery out of the receiving schedule will not be entertained unless requested by Company. Vendor is required to contact and make arrangement with Company's supply base prior to delivery.

2.0 DELIVERY OF GOODS

2.1 Adherence to the Delivery Date:

Vendor shall adhere to delivery date stated in the Purchase Order (PO) (on or before delivery date). Liquidated damages shall be imposed on Vendor for late delivery. Vendor shall produce a letter from Principal/Manufacturer if the delay is caused by Principal/Manufacturer.

2.2 Delivery of goods shall be accompanied by:

- a) Copy of this PO
- b) Vendor's DO (3 copies) – **1 copy for Supply Base / 1 copy for Vendor / 1 copy for invoicing purposes**
- c) Valid certificates (where applicable):
 - i. Test Certificates (Mill Cert, Hydrostatic Test, Load Test, etc.)
 - ii. Chemical Safety Data Sheet (CSDS) & Material Safety Data Sheet (MSDS).
 - iii. Warranty Certificate with Vendor's stamp and date.
 - iv. Inspection Certificate.
 - v. Release Certificate.
(Vendor shall ensure that the heat number tallies with the certificates submitted.)

2.3 Imported Goods (KSB/ASB):

For imported goods (KSB/ASB), delivery of goods shall be accompanied by:

- a) Commercial Invoice & Packing List (CIPL) (Refer Appendix I(A) for sample format) or Consignment of Goods (COG)
- b) DO or Bill of Lading or Air Way Bill
- c) Final Customs Form, i.e. K1/K3/K8/K9 Form (for goods consigned to the Company)
- d) Certificate of Origin (if applicable)
- e) Import Permit or License (if applicable)
- f) Certificate of Quantity (if applicable)

Note: For CIPL, Vendor shall provide all the information required as in the sample format at the minimum.

2.4 Specific Instructions:

- a) For Dangerous Goods (DG) (Liquid/Chemical/Explosive):
 - i. Latest copy of SDS (published within the last 5 years): In dual language (Bahasa Malaysia and English) for chemicals classified as hazardous; or in English only for chemicals not classified as hazardous.
 - ii. Labelling of chemicals shall be in accordance to CLASS Regulation 2013 (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals)
 - iii. Chemicals and lubricants in drums shall be palletized with wing pallets and strapped with steel strapping band.
- b) For valve:
 - i. Mill Test Certification from manufacturer.
 - ii. Hydrostatic Test Certification by a third party, and witnessed and assessed by Company's representative, if required.
- c) For pipe, plate, beam, etc.: Mill Test Certificate.
- d) For chain/sling: Certificate of Conformity (COC), Inspection Report (both COC and Inspection Report's date shall be less than 2 weeks prior to delivery), Load Test Report, Mill Cert, Load Test Certificate.
- e) For Safety Equipment (life raft, life buoy, fire extinguisher, etc.): Any related certificates. (Test certificates date shall be less than 3 months prior to delivery).

Note: Documents listed above are mandatory. Failure to produce complete set of documents will result in goods being rejected.

3.0 DISCLAIMER

Vendor is reminded that it is Vendor's responsibility to inform Company of any **deficiency, omission, contradiction, mistake and ambiguity in the PO**. Goods whose descriptions differ from the PO shall be rejected by Company.

Vendor shall issue a Supporting Letter (or COC) from Principal/OEM if there is any deviation on item Part Number/Model due to original item being obsolete/replaced by a newer version.

4.0 PURCHASED GOODS

For purchased goods, Vendor shall ensure every item is tagged (waterproof) with the following information printed in permanent ink:

- RIG OR HWU NAME
- PURCHASE ORDER NO.
- ITEM NO.
- ITEM DESCRIPTION
- PART NO.
- QUANTITY
- FOR IMPORTED GOODS – COMMERCIAL INVOICE & PACKING LIST (CIPL)

Tag size: 60 mm X 100 mm (minimum)

Tag Color: White

Tag Lettering Color: Black (no hand writing allowed)

Position Affixed: Facing outward (visible without further handling of the item)

Note: Failure to comply may result in the goods being rejected.

5.0 RENTED GOODS

For rented goods, Vendor shall ensure every item is marked, so that the rented goods /items / equipment are identifiable. For example: CONTAINER, CYLINDER, CYLINDER RACK, SLING, DRILL PIPE, DRILL COLLAR, MACHINERY, GENERATOR, ETC.

5.1 Markings (where appropriate):

- a) Information required: PO number, Vendor name, on-hire date, serial number.
- b) Method: Colour coding, metal tagging, marking on pipe body (for pipe), etc.

Note: Failure to comply to may result in unidentifiable goods.

6.0 PACKAGING

6.1 For packaging, Vendor shall:

- a) Ensure that the package is splash-proof and strong enough to withstand rough handling.
- b) Ensure that the supporting documents (Copy of PO/DO/CIPL for imported goods, etc.) are securely attached ON the package. Vendor shall insert an additional set INSIDE the package to avoid missing document when handling.
- c) Ensure items are packed according to PO. Do not combine items from various PO's into one packaging.
- d) Ensure appropriate cargo marking(s) is clearly printed on the package. Examples of cargo markings:



7.0 INVOICING

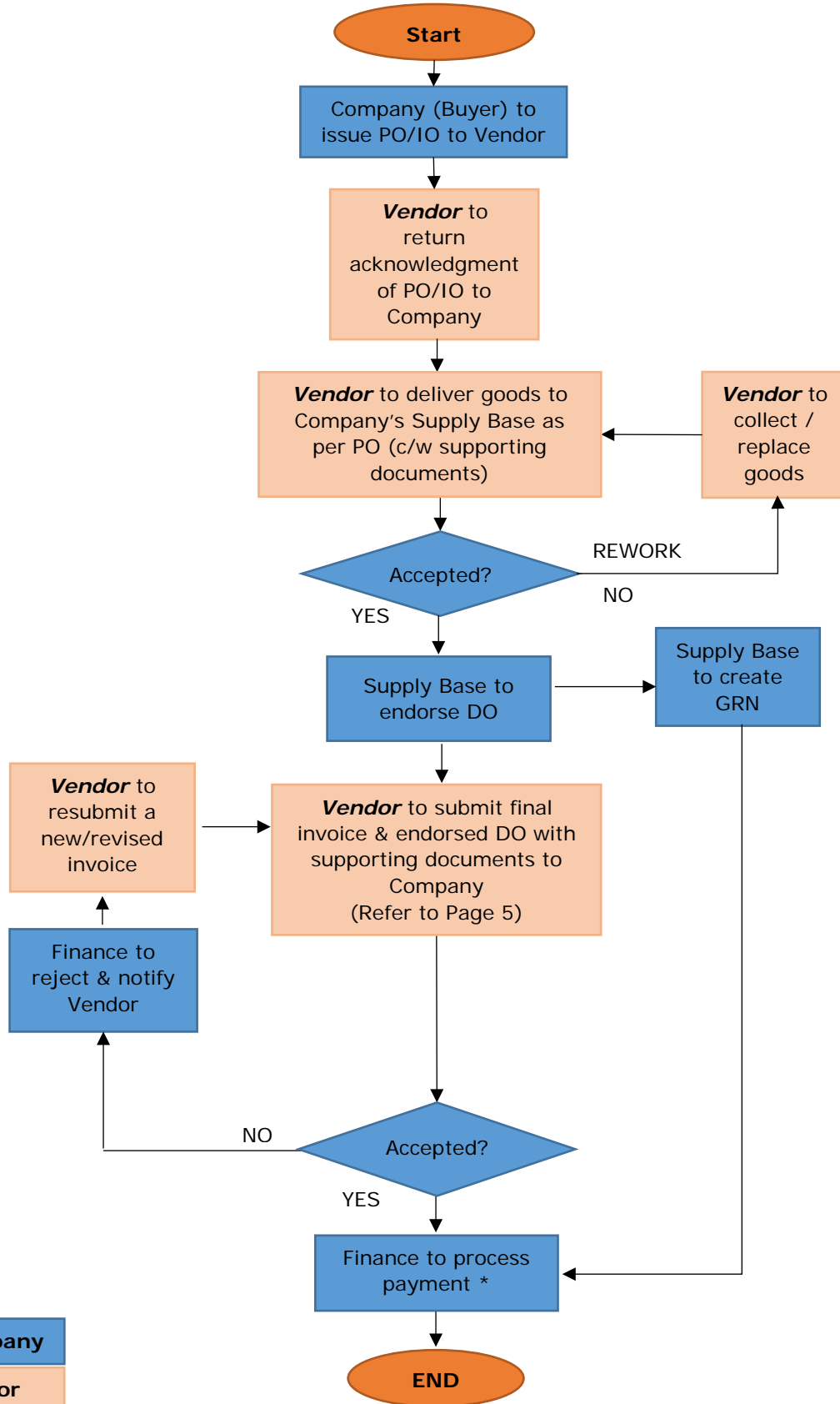
7.1 For invoicing, Vendor shall:

- a) Adhere to Company's Invoice Process Flow attached. Refer to Diagram 1 & Sample 1 for **GOODS** and Diagram 2 & Sample 2 for **SERVICES**.
- b) Submit the original invoice c/w related supporting documents to address below (based on Contract/PO-issuing entity):

NO	CONTRACT / PO-ISSUING ENTITY	REMARKS
1	VELESTO DRILLING SDN BHD LEVEL 18, BLOCK 3A, PLAZA SENTRAL, JALAN STESEN SENTRAL 5, 50470 KUALA LUMPUR ATTN: INVOICE ADMIN (VED), FINANCE	<p><u>MALAYSIA-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Submit hardcopy of the original invoice and related supporting documents to the respective Contract/PO-issuing Entity. Email PDF softcopy of the original invoice and related supporting documents to inv.velestodrilling@velesto.com. <p><u>SINGAPORE-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Submit hardcopy of the original invoice and related supporting documents to <u>Singapore Transit Supply Base</u> (refer to Page 2). <p><u>OTHER OVERSEAS-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Email PDF softcopy of the original invoice and related supporting documents to inv.velestodrilling@velesto.com.
2	VELESTO RIG ASSET (L) LTD LEVEL 18, BLOCK 3A, PLAZA SENTRAL, JALAN STESEN SENTRAL 5, 50470 KUALA LUMPUR ATTN: INVOICE ADMIN (VED), FINANCE	
3	VELESTO DRILLING "X" (L) LTD LEVEL 18, BLOCK 3A, PLAZA SENTRAL, JALAN STESEN SENTRAL 5, 50470 KUALA LUMPUR ATTN: INVOICE ADMIN (VED), FINANCE <i>Note: "X" indicates a number according to Company's respective rig.</i>	
4	VELESTO ENERGY BERHAD SUITE 3A, LEVEL 18, BLOCK 3A, PLAZA SENTRAL, JALAN STESEN SENTRAL 5, 50470 KUALA LUMPUR ATTN: INVOICE ADMIN (VEB), FINANCE	<p><u>MALAYSIA-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Submit hardcopy of the original invoice and related supporting documents to the respective Contract/PO-issuing Entity. Email PDF softcopy of the original invoice and related supporting documents to inv.velestoenergy@velesto.com. <p><u>SINGAPORE-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Submit hardcopy of the original invoice and related supporting documents to <u>Singapore Transit Supply Base</u> (refer to Page 2). <p><u>OTHER OVERSEAS-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Email PDF softcopy of the original invoice and related supporting documents to address inv.velestoenergy@velesto.com.
5	VELESTO WORKOVER SDN BHD LEVEL 18, BLOCK 3A, PLAZA SENTRAL, JALAN STESEN SENTRAL 5, 50470 KUALA LUMPUR ATTN: INVOICE ADMIN (VVO), FINANCE	
6	VELESTO DRILLING ACADEMY SDN BHD LEVEL 18, BLOCK 3A, PLAZA SENTRAL, JALAN STESEN SENTRAL 5, 50470 KUALA LUMPUR ATTN: INVOICE ADMIN (VDA), FINANCE	<p><u>OTHER OVERSEAS-REGISTERED VENDORS</u></p> <ul style="list-style-type: none"> Email PDF softcopy of the original invoice and related supporting documents to address inv.velestoenergy@velesto.com.

- c) Submit invoice with line items as per PO. Invoice line items that not match with PO would result delayed payment.
- d) Ensure invoice and supporting documents contain our reference no (**PO number, IO number or Contract number**). Invoice without reference number will be **rejected**.

DIAGRAM 1
GOODS INVOICE PROCESS FLOW



Action by Company

Action by Vendor

*Agreed payment term starts at this stage.

**[VENDOR LETTERHEAD]
SAMPLE 1 – SAMPLE FORMAT
COMMERCIAL INVOICE & PACKING LIST (CIPL)**

Rig name:
Purchased Order No:
Invoice No: XXX
Date: XXX

Consignor:
(Vendor)

Ship To:
Velesto Drilling Sdn Bhd
Asian Supply Base
Ranca Ranca Industrial Estate
870717 WP Labuan
Attn: Nathaniel / 016-8017294

No	Description	Qty	UOM	Dimension MM	Weight (kg)	Total Weight (kg)	Price (MYR)
1	Plate, Mild steel, 3/8" Thk X 4 FT X (SBDC)	2	SHT	9MM x 1219 x 2438	210	420	1740.00
2	Line, Pipe 1" x 20 Ft, SCH 80, (SBDC)	10	LGT	25mm x 6000mm	19.38	193.8	1500.00
3	PIPE, LINE, 1-1/2" X 20FT, SCH 80 (SBDC)	10	LGT	38mm x 6000mm	32.41	324.1	2200.00

Subtotal	5,440.00
Tax (0.00%)	
Total	5,440.00

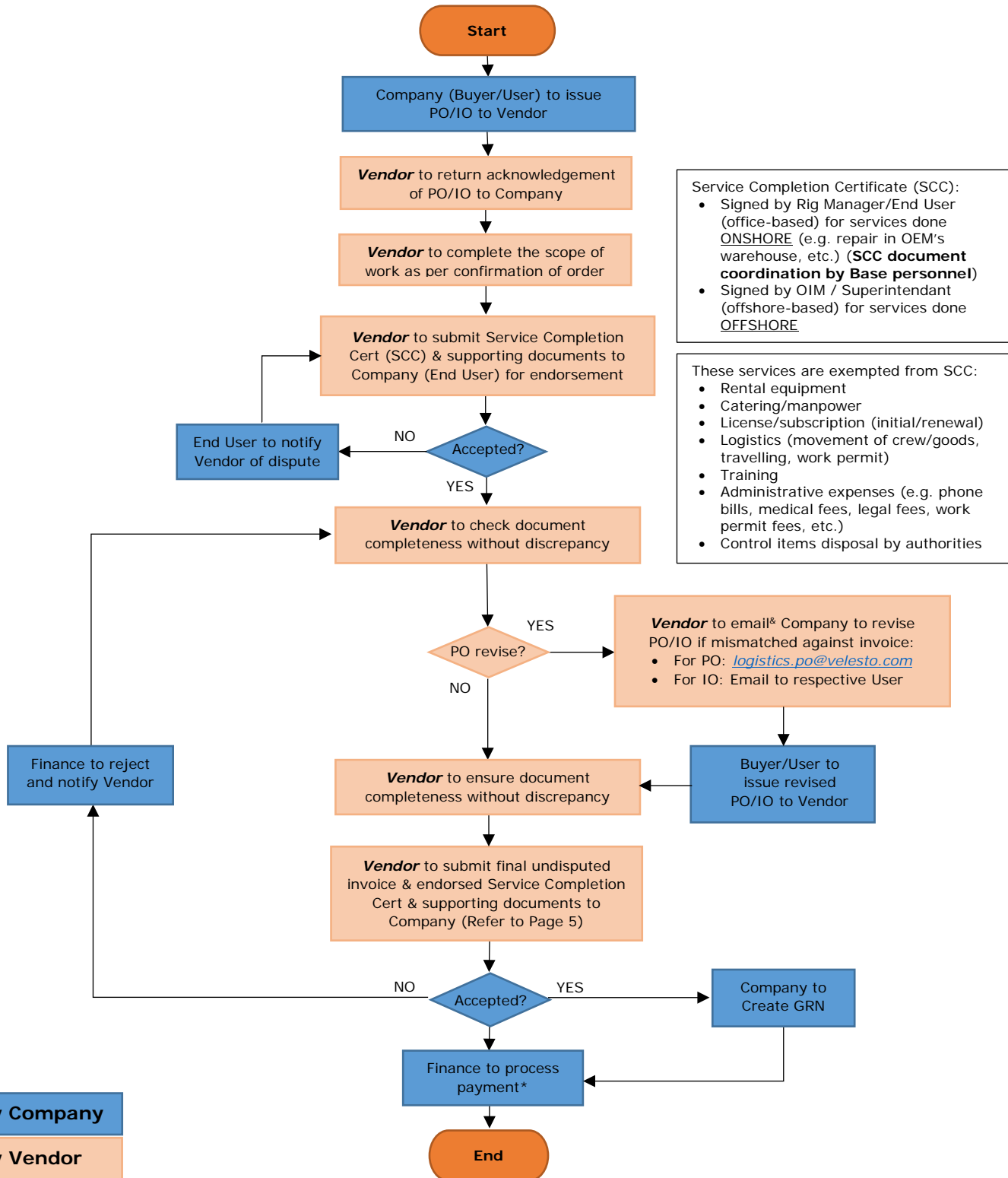
ISSUED BY (Vendor)

NAME :
SIGNATURE :
DATE :
COMPANY STAMP :

RECEIVED BY (Company)

NAME :
SIGNATURE :
DATE :
COMPANY STAMP :

**DIAGRAM 2
SERVICES INVOICE PROCESS FLOW**



&Include Purchase Order / Instruction Order, Proforma Invoice, Service Completion Certificate (SCC), Supporting Documents.

*Agreed payment term starts at this stage.

[VENDOR LETTERHEAD]

**SAMPLE 2 – SAMPLE FORMAT
SERVICE COMPLETION CERTIFICATE (SCC)**

SERVICE COMPLETION CERTIFICATE (SCC)

Purchase Order (PO) / Instruction Order (IO) No : _____

Scope of Work:	% Completion:

No	Submitted Document (Approved/Signed Document)	Applicable (√)	Not Applicable (√)
1	Purchase Order (PO) / Instruction Order (IO)	Compulsory	
2	Service / Test / Technical report, signed by OIM		
3	Certificate (Surveyor/Class)		
4	Timesheet		
5	Custom duty documents		
6	Original copy of K1 / K9 Forms, acknowledged by Customs Office		
7	Copy of Certificate of Residence (COR) (for non-resident Company)		
8	Personnel on board (POB) (where applicable)		
9	Others (please specify) : Delivery Order / Proof of Delivery		

We shall endeavor to resolve any discrepancy in the documentation prior to its submission to Company (Finance – Invoice Administrator) and shall abide by the Company’s Invoice Process Flow stated in the Delivery Instructions.

PREPARED BY: (VENDOR)

Name: _____ Signature: _____
Company: _____ Date: _____

APPROVED BY COMPANY: (END USER)

Name: _____ Signature: _____
Position: _____ Date: _____
Remarks: _____
